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August 23, 2012

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VIAE-Mail and US Mail

Gregg Adam Carroll, Burdick & McDonough LLP 44 Montgomery Street, Suite 400 San Francisco, CA 94104 gadam@cbmlaw.com

Re: San Jose Police Officers Association v. City of San Jose, 112CV220146

Dear Gregg:

This letter will confirm our telephone conversation of Tuesday afternoon, in which I verbally responded to your letter of that same date. As we discussed, the City believes that the interest arbitration over second tier pension and retiree medical benefits for new hires should follow the terms of Charter Section 1111, including the use of a retired Santa Clara County judge. I understand that your staff is contacting the office of Judge Flaherty, who the parties had previously selected to handle an interest arbitration over wages to determine his availability. As your letter acknowledges, the parties have not agreed to use Judge Flaherty for this arbitration. However, I appreciate your willingness to be proactive on this matter and will follow up with my client regarding their willingness to use him as the arbitrator.

As I indicated during our conversation, the City is not willing to delay this matter until the Attorney General (and presumably the courts) has decided the SJPOA's Application for Leave to Sue in Quo Warranto. As you know, the SJPOA filed a Petition to Compel the City to interest arbitration over this issue nearly six months ago. It is long past time we move forward on this matter. However, if the SJPOA is interested in attempting to settle this issue in advance of the arbitration, we would be willing to set the arbitration for a date which provides sufficient time for that to occur prior to incurring any cancellation fees.

I look forward to hearing from you on Judge Flaherty's availability. If the SJPOA has any other retired judges it would like the City to consider, please forward those names to me at your earliest convenience.

Sincerely,

Charles Sakai

CDS/lr